

OFFICE OF INSPECTOR GENERAL

Proposed Appropriation Language

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For necessary expenses of the Office of Inspector General, [\$37,000,000] *\$100,000,000*, notwithstanding section 209(a)(1) of the Foreign Service Act of 1980 (Public Law 96-465), as it relates to post inspections, *of which \$30,000,000 shall be for the Special Inspector General for Iraq Reconstruction for reconstruction oversight, and \$23,000,000 shall be for the Special Inspector General for Afghanistan Reconstruction for reconstruction oversight. (Department of State, Foreign Operations and Related Programs Appropriations Act, 2009.)*

[(INCLUDING TRANSFER OF FUNDS)]

[For an additional amount for "Office of Inspector General", \$9,500,000, to remain available until September 30, 2009: *Provided*, That \$2,500,000 shall be transferred to the Special Inspector General for Iraq Reconstruction for reconstruction oversight, and \$2,000,000 shall be transferred to the Special Inspector General for Afghanistan Reconstruction for reconstruction oversight.]

[For an additional amount for "Office of Inspector General", \$57,000,000, which shall become available on October 1, 2008, and remain available through September 30, 2009: *Provided*, That \$36,500,000 shall be transferred to the Special Inspector General for Iraq Reconstruction for reconstruction oversight and \$5,000,000 shall be transferred to the Special Inspector General for Afghanistan Reconstruction for reconstruction oversight.] *(Supplemental Appropriations Act, 2008.)*

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Resource Summary

(\$ in thousands)

Appropriations	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
Positions	329	329	329	0
Funds	52,233	101,201	100,000	(1,201)

FY 2008 Actual reflects the rescission of 0.81% provided by the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2008 (P.L. 110-161, Division J).

FY 2008 Actual includes \$9.0 million in emergency funding provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (P.L. 110-329). FY 2008 Actual also includes \$9.5 million in emergency funding provided by the Supplemental Appropriations Act, 2008 (P.L. 110-252), of which \$2.5 million is for the Special Inspector General for Iraq Reconstruction and \$2.0 million is for the Special Inspector General for Afghanistan Reconstruction.

FY 2009 Estimate includes \$57.0 million in bridge funding provided by the Supplemental Appropriations Act, 2008 (P.L. 110-252). FY 2009 Estimate also includes \$7.201 million in emergency funding requested in the pending FY 2009 Supplemental.

Overview

This appropriation provides \$100 million under the Office of Inspector General at the Department of State. Of this amount, \$47 million is for the Office of Inspector General at the Department of State, \$23 million is for the Special Inspector General for Afghanistan Reconstruction (SIGAR), and \$30 million is for the Special Inspector General for Iraq Reconstruction (SIGIR). This request represents the first time that funding for SIGAR and SIGIR has been requested under the Department of State's Office of Inspector General. As SIGAR and SIGIR staff are not Department of State employees, the resource summary chart reflects only the positions of the Department of State's Office of Inspector General.

(Funds \$ in thousands)

Appropriations	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
OIG Positions	329	329	329	0
OIG Funds (1)	38,733	52,500	47,000	(5,500)
SIGAR Positions	2	90	60	(30)
SIGAR Funds (2)	11,000	12,201	23,000	10,800
SIGIR Positions	106	145	98	(47)
SIGIR Funds (2)	2,500	36,500	30,000	(6,500)

(1) Includes \$15.5 million in supplemental funding for OIG in FY 2009.

(2) Prior to FY 2010, SIGAR and SIGIR funding was provided by supplemental appropriations.

Department of State Office of Inspector General Overview

The Office of Inspector General (OIG) conducts independent audits, inspections, and investigations to promote effective management, accountability, and positive change in the Department of State, the Broadcasting Board of Governors (BBG), and the foreign affairs community. OIG provides leadership to:

- Promote integrity, efficiency, effectiveness, and economy;
- Prevent and detect waste, fraud, abuse, and mismanagement;
- Identify vulnerabilities and recommend constructive solutions;
- Offer expert assistance to improve Department and BBG operations;
- Communicate timely, useful information that facilitates decision-making and achieves measurable gains; and
- Keep the Department, BBG, and the Congress fully and currently informed.

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Program Description

OIG's mandate encompasses oversight of all domestic and overseas activities, programs, and missions of the Department and the BBG. OIG's activities are global in scope, supporting the highest priorities of the Department. OIG's goal for FY 2010 is to effect positive change by being a valued resource to the Department, with specific emphasis on the following:

- **Relevance:** OIG work will be directed at Department and BBG high-cost, high-risk programs and operations, priority posts and bureaus, and emerging areas of interest.
- **Value Added:** OIG will recommend actions that result in savings, recovery of costs, prevention of losses, and improved efficiencies and security.
- **Usefulness:** OIG products will assist decision makers in improving programs and making spending decisions in an environment of dwindling financial resources.
- **Timeliness:** OIG will reduce the time for completing its audits, inspections, and reviews by using available technologies to start jobs sooner, finish them quicker, and disseminate the results broadly.

To the extent allowed by changing priorities within the Department and BBG and external factors beyond its control, OIG's funding priorities for FY 2010 are to maintain its presence in the Middle East in order to have staff dedicated to the oversight of critical Department programs in the Middle East and South Asia, including work in post-conflict areas. These priorities will enable OIG to meet its goals for conducting relevant, useful, and timely work that adds value to Department and BBG programs and operations worldwide.

Enhancing OIG's Presence in the Middle East and Other Post-Conflict Areas

Strengthening OIG's presence in the Middle East and South Asia, including other post-conflict areas, is OIG's top priority. As the Department continues to commit significant resources to Iraq, Afghanistan, and other crisis/post-conflict areas, OIG's oversight responsibilities have correspondingly increased. OIG officially opened the Middle East Regional Office (MERO) in Amman, Jordan, in January 2008 to focus dedicated resources and expertise on high-risk, high-cost programs and operations in the Middle East and South Asia, particularly with respect to U.S. interests in Iraq, Afghanistan, Pakistan, Lebanon, and other post-conflict countries. The Amman regional office will be augmented by three satellite offices: a field office in Cairo, Egypt, and temporary offices in Baghdad, Iraq, and Kabul, Afghanistan. The Baghdad office opened in 2008, and the Cairo and Kabul offices are scheduled to open in 2009. OIG also provides investigative oversight in the region through investigators who are co-located with MERO staff in Amman and Baghdad. OIG will also deploy investigators to Cairo in 2009.

OIG will continue to support the Department's activities in the Middle East and South Asia by recommending improvements to policies, programs, and operations, and by conducting investigations of alleged malfeasance, provided that OIG has the resources to maintain its overseas presence.

Maximizing the Effectiveness of OIG's Core Capabilities

OIG priority for its Washington-based staff is to maintain its core audit, inspection, and investigative capabilities to adequately address the wide-ranging scope of programs and operations for which it is responsible. OIG's mandate includes the traditional areas of focus—including security, diplomatic and consular affairs, international broadcasting, administrative and financial management, and information technology—as well as new initiatives and priorities. These new initiatives and priorities—including the American Recovery and Reinvestment Act of 2009, foreign assistance programs, counterterrorism, and public diplomacy—increase OIG's responsibility to provide meaningful and current feedback on these evolving programs. OIG is committed to continuing to assist the Department and BBG in strengthening the effectiveness and efficiency of their programs, operations, and initiatives.

Performance

Monetary benefits, recommendations resolved, and OIG's focus on agency management challenges are indicators that reflect OIG's value-added to the Department and the BBG, and are representative of the performance measures used by OIG to manage its programs.

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Monetary benefits include cost savings, recoveries, questioned costs, funds put to better use, efficiencies, restitutions, and fines. OIG's audits, inspections, evaluations, and investigations result in potential and actual cost savings and increased efficiencies for the Department and the BBG. Monetary benefits from OIG's work result in more effective and efficient use of U.S. taxpayer dollars, and are a primary mandate of the Office of Inspector General.

STRATEGIC GOAL: STRENGTHENING CONSULAR AND MANAGEMENT CAPABILITIES								
Strategic Priority: Planning and Accountability								
Indicator	FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008			FY 2009 Target	FY 2010 Target
				Target	Results	Rating		
Monetary benefits: questioned costs, funds put to better use, cost savings, recoveries, efficiencies, restitutions, and fines	\$31.5 million	\$31.3 million	\$52.6 million	\$11.0 million	\$23.0 million	Above Target	\$12.5 million	\$12.5 million
Reasons for Exceeding Target	OIG strives to maximize the value of its work by seeking tangible monetary benefits. Out-year targets are based on operational reality at the time they are set, several years in advance. OIG cannot plan on replicating these results; therefore, out-year targets depict more realistic goals for future years.							
Impact	Improved financial accountability and transparency of funds used by the U.S. Government, and monetary benefits and recoveries realized on behalf of U.S. taxpayers.							
Data Source and Quality	Recoveries, questioned costs, and funds put to better use are based on amounts identified in OIG reports, as agreed to by the agency and tracked in OIG's compliance database. Investigative recoveries reflect court-ordered fines, restitutions, and recoveries based on information received from external prosecutorial and administrative authorities.							

Recommendations are a major product of OIG's audits, inspections, and evaluations, and serve as the vehicle for correcting vulnerabilities and realizing positive change in the Department and BBG. Resolution of recommendations reflects management's willingness to take the actions recommended by OIG to correct identified problems and improve their programs and operations. The percentage of recommendations resolved within six months (inspections) or nine months (audits and program reviews) indicates to what extent management has agreed to take timely action to correct identified problems in line with OIG recommendations, or has identified acceptable alternatives that are expected to result in improved programs and operations.

STRATEGIC GOAL: STRENGTHENING CONSULAR AND MANAGEMENT CAPABILITIES								
Strategic Priority: Planning and Accountability								
Indicator	FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008			FY 2009 Target	FY 2010 Target
				Target	Results	Rating		
Percentage of recommendations resolved within the appropriate timeframe.	Indicator established in 2006	64 percent	88 percent	80 percent	87 percent	Above Target	80 percent	82 percent
Reasons for Exceeding Target	The performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.							
Impact	Increased probability that deficiencies and poor practices are minimized or corrected in a timely manner.							
Data Source and Quality	Percentage of recommendations resolved is based on information tracked in OIG's Compliance Analysis Tracking System database. Data Quality Assessment revealed no significant data limitations.							

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OIG audits, inspections, and reviews evaluate Department and BBG efforts to achieve results-oriented management, identify major management challenges, and recommend improvements. OIG investigations that address alleged malfeasance with respect to Department and BBG management challenges also contribute to management improvement initiatives. The percentage of OIG work related to agency management challenges demonstrates the degree to which OIG's work is focused on improving the areas of greatest vulnerability in agency operations.

STRATEGIC GOAL: STRENGTHENING CONSULAR AND MANAGEMENT CAPABILITIES								
Strategic Priority: Planning and Accountability								
Indicator	FY 2005 Results	FY 2006 Results	FY 2007 Results	FY 2008			FY 2009 Target	FY 2010 Target
				Target	Results	Rating		
Percentage of OIG reports and investigations that focus on Department and Broadcasting Board of Governors management challenges.	Indicator and baseline were established in 2008.	Indicator and baseline were established in 2008.	Indicator and baseline were established in 2008.	N/A - baseline year	100 percent	On Target	90 percent	92 percent
Impact	Greater assurance that Department employees and contractors will conduct themselves professionally, ethically, and be held accountable if fraud, waste, abuse, or mismanagement occurs.							
Data Source and Quality	For audits and inspections, the data reflects reports issued as reported in the 3/31 and 9/30 Semiannual Reports to the Congress. For investigations, the data is from OIG's Case Management System and is reported in the Semiannual Report to the Congress and the Annual Report of the President's Council on Integrity and Efficiency.							

The FY 2010 request for Department of State OIG account includes an increase of \$10 million from the \$37 million (excluding supplemental funding) in FY 2009 Omnibus funding. The justifications of request for SIGAR and SIGIR are detailed in separate sections following the Department of State OIG request.

Department of State OIG Justification of Request

To support its efforts in FY 2010, OIG is requesting \$47 million, which represents an increase of \$10 million over the FY 2009 Omnibus baseline of \$37 million. This increase includes \$9 million to incorporate the costs of the Middle East Regional Office and the Middle East Investigative Branch (MEIB) into OIG's base funding. The FY 2010 request also includes mandatory wage and price increases of approximately \$900,000 and, consistent with the Inspector General Reform Act of 2008, \$113,000 to support the Council of Inspectors General on Integrity and Efficiency. Funding MERO and MEIB operations from OIG's base appropriations will enable OIG to meet its FY 2010 priorities to continue its presence in the Middle East, which in turn, would support OIG's goals to conduct relevant, useful, and timely work that adds value to critical Department and BBG programs and operations.

OIG Middle East Regional Office

OIG's Middle East Regional Office was officially established in January 2008 to enhance OIG oversight for high-cost, high-risk Department programs in the Middle East and other post-conflict areas. MERO is being staffed with employees of all disciplines who will be capable of reacting with little immediate guidance or supervision to conduct audits or program evaluations within the region. MERO currently operates through its field office in Amman, Jordan, and a temporary satellite office in Baghdad, Iraq, supplemented with OIG staff in Washington, DC. MERO is in the process of establishing an additional field office in Cairo, Egypt, and a temporary satellite office in Kabul, Afghanistan.

OIG's FY 2010 request will enable MERO to maintain its overseas presence to support critical Department programs and initiatives in the Middle East and South Asia. To date, MERO operations have been funded by supplemental appropriations but will require funding from OIG's regular annual appropriation beginning in FY 2010.

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Funding its operations through the regular OIG appropriation will allow MERO to continue the critical work of evaluating whether the Department's financial and other resources have been properly utilized in Iraq, Afghanistan, and elsewhere in the Middle East and South Asia. MERO's tentative work plan includes assessing the effectiveness of foreign assistance programs, conducting audits and evaluations of contracts and grants, contractor performance, and procurement issues, as well as security and management inspections. MERO's tentative work plan includes follow-up work on provincial reconstruction teams, anticorruption programs, police training, and rule-of-law programs, as well as a performance audit on the effectiveness of security assistance in Afghanistan. MERO also plans to provide proactive assistance to the Office of the Coordinator for Reconstruction and Stabilization (S/CRS) through increased oversight of post-conflict and anti-corruption activities.

Office of Investigations

The Office of Investigations conducts investigations of criminal, civil, and administrative misconduct related to Department and BBG programs and operations by investigating specific allegations, reports, or other information indicating possible violations of law or regulation. Investigative results are referred to the Department of Justice for prosecution and to the Bureaus of Human Resources and Diplomatic Security or other agencies for administrative or other appropriate action. The office maintains the OIG Hotline, a confidential channel for complaints. OIG has established a Middle East Investigative Branch, co-locating investigative staff with MERO field offices to dedicate investigative resources in proximity to critical, high-risk and high-cost Department activities and operations. OIG investigators are currently stationed in Amman, Jordan, and Baghdad, Iraq, and will deploy to Cairo, Egypt, in 2009.

To date, MEIB operations have been funded by supplemental appropriations but will require funding from OIG's regular annual appropriation beginning in FY 2010. OIG's FY 2010 request will enable MEIB to continue to complement the work of MERO by conducting critical investigative work required in Iraq, Afghanistan, and elsewhere in the Middle East and South Asia. Working in proximity to Department facilities and operations in the Middle East and in South Asia is vital, given the level of Department and BBG financial resources dedicated to the region. Investigation of significant financial crimes requires that investigators "follow the money."

Office of Audits

The Office of Audits conducts and coordinates audits and program evaluations of the management and financial operations of the Department and BBG, including their audited financial statements, internal operations, external activities funded by the Department through contracts or financial assistance, and programs and operations in Iraq and Afghanistan. It also conducts annual reviews of Department and BBG compliance with the Federal Information Security Management Act (FISMA). The audits evaluate whether established goals and objectives are achieved and resources are used economically and efficiently; assess whether intended and realized results are consistent with laws, regulations, and good business practices; and test financial accountability and the reliability of financial statements. The Office of Audits accommodates an ever-increasing number of requests from stakeholders, including the Department, Congress, and other federal agencies, as well as referrals from within OIG.

Office of Inspections

The Office of Inspections assesses domestic and overseas operations and facilities of the Department and BBG. Inspections review executive direction, policy and program implementation, resource management, management controls, and security. In this context, inspectors evaluate operations' leaders and managers; review staffing and recommend consolidation and relocation of operations, if appropriate; assess posts' ability to deter, detect, and respond to threats and security vulnerabilities; consider whether counterterrorism and policy implementation efforts are coordinated among agencies overseas; examine consular processes and oversight of visa, passport, and American citizens services; evaluate information management and information security programs; evaluate the extent to which financial, human resources, procurement, and inventory management best practices are employed; and determine whether management controls are in place. To the extent that resources are available, the Office of Inspections also provides oversight of programs and operations relating to Department efforts to counter terrorism worldwide; Iraq, Afghanistan, and other crisis areas; foreign assistance funding; and public diplomacy.

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Special Inspector General for Afghanistan Reconstruction (SIGAR) Justification of Request

SIGAR operates under the authority of Section 1229 of Public Law 110-181. The FY 2010 budget request of \$23 million funds the operating expenses required to conduct audits, inspections, and investigations; providing for the independent and objective supervision of \$32 billion in U.S. funds directed to the reconstruction of Afghanistan. This budget request allows the oversight of efforts aimed at preventing, detecting, and prosecuting fraud, waste and abuse consistent with Congressional mandates defined within the law.

SIGAR employs primarily highly specialized professionals with proven experience in the areas of auditing, inspections, investigations, and information management. The staff consists of temporary appointees, most of whom have 13-month renewable appointments. The estimated average annual base salary is \$126,693 and includes an estimated 3.5 percent pay increase calculated to take effect January 2010. This average annual base salary supports SIGAR's objective of utilizing senior, experienced personnel capable of fulfilling its Congressional mandate to provide for the independent and objective conduct and supervision of audits, inspections, and investigations of programs and operations funded with U.S. taxpayer dollars for the reconstruction of Afghanistan. SIGAR anticipates filling all 60 full-time equivalent (FTE) government positions by the end of the third quarter of FY 2009. Of the 60 FTEs, 26 will be based in Afghanistan. SIGAR requires \$6.8 million to meet its total base salary requirements for FY 2010.

Since SIGAR's primary mission must be conducted in Afghanistan, the organization incurs additional expenses to maintain qualified staff in a dangerous environment. These expenditures include Post Differential and Hazardous Duty Pay which must be paid to 26 Afghanistan-based personnel and eight temporary duty travel (TDY) personnel. Post Differential and Hazardous Duty Pay will cost \$2.3 million for FY 2010.

SIGAR also compensates its personnel for the overtime required to fulfill its mission, and other factors specific to Afghanistan impact personnel funding requirements. For example, the official day-off in Afghanistan is Friday resulting in premium pay for Sundays. SIGAR estimates that these additional costs will total \$1.4 million for FY 2010.

At SIGAR's request, other U.S. Government agencies, the U.S. Military and Inspectors General detail qualified employees to the SIGAR office in support of Audits, Inspections, and Investigations. Detailees are provided by their home agencies on reimbursable and non-reimbursable bases. Payments for reimbursable details include but are not limited to both compensation and personnel benefits. SIGAR anticipates having six reimbursable detailed staff members' in FY 2010. These detailees will cost \$927,393 in FY 2010. As part of total personnel compensation, SIGAR funds the employer's share of payments for life insurance, health insurance, and employee retirement, which are estimated to be 22 percent of total base salary for FY 2010. Total personnel benefits for FY 2010 are \$1.5 million.

Travel to and from Afghanistan will represent a significant portion of SIGAR's travel costs. These costs will include deployment and re-deployment of employees to Afghanistan for extended periods of time, and regular TDY of auditors, inspectors, and investigators. Afghanistan-based employees will be allowed to return to the continental United States for mid-tour breaks and to attend required training not otherwise available in OCONUS locations.

Auditors, inspectors and investigators will conduct site visits to various locations within Afghanistan. Due to security concerns, the only method of transportation is often via air, which is coordinated with USAID and Embassy Kabul. Also, the Chief of Mission's Regional Security Officer requires that protective security details, including an advance team, escort senior SIGAR officials.

SIGAR employees must occasionally travel to locations within the continental United States. In addition to TDY, employees are also required to travel to locations within the National Capital Region (NCR).

Total costs for travel and transportation of persons is estimated to be \$1.9 million for FY 2010. SIGAR will also incur shipping and logistics costs. These include shipping official packages to and from Afghanistan, trucking supplies, and paying other local transportation charges associated with activities within Afghanistan and the continental United States. Estimated costs for transportation of things are \$44,000 for FY 2010.

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SIGAR will make monthly rental payments to the Department of the Army for office space located in Arlington, Virginia. Annual obligations incurred to rent office space are estimated to be \$497,880 for FY 2010.

Effective communication within and between the Arlington and Afghanistan offices is key to the success of our mission. The information technology services required include local and long distance telephone service, and secure wireless data and voice communication services. The majority of these services are provided through contractual agreements with the private sector. In addition to communication services, there are also utility charges associated with the Arlington office. SIGAR estimates expenditures for data and voice communication services and utilities will be \$232,804 for FY 2010.

SIGAR's authorizing legislation requires the submission of quarterly reports to the U.S. Congress and the Secretaries of State and Defense. These reports – as well as audit and inspection reports – are printed and distributed to a wide audience of interested stakeholders, as well as the general public in both the U.S. and Afghanistan. The Government Printing Office will handle the majority of SIGAR's printing and reproduction requirements, but SIGAR will use private sector printing and reproduction services when the use of GPO is unavailable or limited. For example, SIGAR will use the private sector for printing requirements within Afghanistan that are not otherwise available through International Cooperative Administrative Support Services (ICASS). SIGAR will pay for the publication of notices, advertising for personnel, radio and television public service announcements on an as needed basis. Estimated expenditures for printing and reproduction requirements total \$447,500 for FY 2010.

Administrative support services include but are not limited to support in the areas of information management, logistics management, office assistance, human resources support, operations management, project management, and security management. Estimated expenditures for administrative support services requirements total \$783,744 for FY 2010.

To meet its legislative requirement to provide quarterly reports to the U.S. Congress and the Secretaries of State and Defense every quarter and publish about 50 audit and Inspections Reports annually, SIGAR will enter into contractual agreements with the private sector to provide qualified consultants and subject matter experts. SIGAR estimates the expenditures for professional consultant services requirements will be \$2.6 million for FY 2010. Additionally, all quarterly reports will be translated into Pashto and Dari, the official languages of Afghanistan, and made available through SIGAR's official website and in hard copy publication. SIGAR will require \$360,000 for report translation services requirements in FY 2010.

SIGAR will require nine interpreters in Afghanistan, (six in Kabul, one in Bagram, and two in Kandahar) via government contracts with foreign nationals over a 12-month period at an estimated cost of \$299,421.

In the interest of public service, employees will attend training to develop additional skills and knowledge to help them improve in their performance of official duties. Training will also allow employees to maintain professional certifications necessary to the performance of their duties. Further, employees deploying to Afghanistan for a period of longer than 30 days are required by the State Department to attend a five-day Foreign Affairs Counter Threat (FACT) training course. Estimated costs for Government employees training requirements total \$135,000 for FY 2010.

Per SIGAR's request, the Secretary of the Army provides necessary support to SIGAR, including functional support, in some cases on a non-reimbursable basis. This includes but is not limited to the following functions: administration, logistics, acquisition and contracting, financial management, human resources, information technology, deployment, and security. Support provided by the Secretary of the Army does not affect the Inspector General's statutory authority and independence over budget, legal, management control (policy), auditing, inspection, and investigative missions, administration, logistics, acquisition and contracting, financial management, human resources (including ultimate hiring and pay-setting authority), information technology, deployment, and security decisions. Reimbursements for Army support will require \$548,163.

SIGAR's deployed employees will require administrative services available through the ICASS program. Such services include but are not limited to, motor pool operations and vehicle maintenance, travel services, reproduction services, mail and messenger services, information management, reception and telephone system services, purchases and contracting, personnel management, cashiering, vouchering, accounting, budget preparation, non-residential

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security guard services, and building operations. SIGAR has selected services appropriate for its operational requirements at an estimated cost of \$1.25 million.

SIGAR makes regular purchases of general office supplies required for the administration of the office. Supply purchases include but are not limited to items such as pencils, pens, paper, calendar pads, envelopes, file folders, publications, and information technology supplies and materials. Estimated supplies and materials requirements are \$192,000 for FY 2010.

SIGAR will purchase various weapons and ammunition for qualified Investigators and other designated personnel operating in Afghanistan and/or other designated location. Estimated expenditures for weapons and ammunitions requirements are \$45,000 for FY 2010.

Afghanistan continues to be a dangerous place to travel. Travelers face a strong risk of kidnapping, violent crime and suicide attacks across the country. In order to provide a reasonable safeguard against such risks, SIGAR must purchase four armored vehicles through the U.S. Embassy in Kabul at an estimated cost of \$600,000.

SIGAR's FY 2010 budget request also includes \$55,200 to support the Council of the Inspectors General on Integrity and Efficiency, consistent with the Inspector General Reform Act of 2008.

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Special Inspector General for Iraq Reconstruction (SIGIR) Justification of Request

SIGIR operates under the authority of Public Law 108-106, section 3001 (as amended). The FY 2010 budget request of \$30 million will cover operating expenses for the conduct of audits, inspections, and investigations "of the treatment, handling, and expenditures of amounts appropriated or otherwise made available for the reconstruction of Iraq and ... the programs, operations, and contracts carried out utilizing such funds." In addition, SIGIR will also continue to provide information and analysis on Iraq reconstruction, primarily in the form of mandated Quarterly Reports, to the Congress, the Secretaries of Defense and State, and the American people.

SIGIR's FY 2010 work will provide oversight of programs funded from appropriations, without regard to the agency which expends them, for the Economic Support Fund, the Iraq Security Forces Fund, and the Commander's Emergency Response Program, among other funding sources. SIGIR will focus efforts in three broad areas:

- Improving business practices and accountability in managing contracts and grants associated with the reconstruction of Iraq;
- Assessing and strengthening economy, efficiency and effectiveness of programs and operations designed to facilitate the reconstruction of Iraq; and
- Providing for independent and objective leadership and coordination of, and recommendations on policies designed to address problems and deficiencies in reconstruction efforts in Iraq.

SIGIR has a statutory mandate to prepare a final forensic report for all amounts appropriated or otherwise made available for Iraq reconstruction. SIGIR forensic cells, combining audit and investigative expertise, have been created to identify indicators of fraud, waste and abuse. This work may produce investigatory leads and identify weaknesses in financial reporting and disbursement systems. As part of the work plan for FY 2010, computer data mining techniques will be applied to financial records from each of the major Iraq reconstruction funds from 2003 to 2009. This data mining effort will provide key input to SIGIR's final forensic audit report.

SIGIR's FY 2010 request includes \$21.3 million for 70 US- and 28 Iraq-based positions. This amount includes entitlements associated with duty in Iraq. Of the 70 US-based positions, 42 are auditors, investigators, and inspectors. The remaining 28 positions include management, Quarterly Report staff, human resources, procurement, budget, information technology, general counsel, and congressional/public affairs. Of the 28 Iraq-based positions, 26 consist of auditors, investigators, and inspectors. The remaining two positions include operational support.

Also included in the request is \$646,000 for travel. This includes travel related to 28 Iraq-based and 12 Washington, DC-based employees who rotate on 30 to 60 day assignments within Iraq or who travel in the U.S. and to other locations in support of investigations and audits, in addition to training.

SIGIR requires office space in the Washington metropolitan area as well as information technology (supporting among other things a robust website with more than 25,000 pages of information) and communication services. SIGIR's request includes \$2 million for rent, communications, and utilities.

SIGIR contracts for Quarterly Report production/printing support and document imaging/data processing services associated with its investigative efforts. SIGIR's request includes \$383,000 for these services.

SIGIR also engages the private sector to provide support in two other areas: administrative support services and operational (professional/technical) support, including complex computer matching and data mining support. SIGIR's request includes \$5.4 million for these services. This amount has steadily declined over the years as SIGIR has transferred functions that were formerly contracted-out to government employees.

SIGIR's FY 2010 budget request also includes \$72,000 to support the Council of the Inspectors General on Integrity and Efficiency, consistent with the Inspector General Reform Act of 2008.

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Funds by Program Activity

(\$ in thousands)

Activities	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
Administration and Staff Activities	10,967	13,318	11,923	(1,395)
Inspections, Audits, Investigations	25,901	36,918	33,050	(3,868)
Policy Formulation	1,865	2,265	2,027	(238)
SIGAR Activities	11,000	12,200	23,000	10,800
SIGIR Activities	2,500	36,500	30,000	(6,500)
Total	52,233	101,201	100,000	(1,201)

Funds by Object Class

(\$ in thousands)

	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
1100 Personnel Compensation	30,875	61,595	59,792	(1,803)
1200 Personnel Benefits	8,568	13,170	12,198	(972)
2100 Travel & Trans of Persons	4,769	7,541	7,550	9
2300 Rents, Comm & Utilities	1,277	3,561	3,586	25
2400 Printing & Reproduction	711	1,095	1,238	143
2500 Other Services	4,910	12,356	13,939	1,583
2600 Supplies and Materials	1,009	1,266	1,144	(122)
3100 Personal Property	114	617	553	(64)
Total	52,233	101,201	100,000	(1,201)